

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF MT. OLIVET)	CASE NO. 9918-P
NATURAL GAS COMPANY, INC.)	

O R D E R

On August 10, 1987, the Commission issued its Order in Case No. 9918 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On August 3, 1988, Mt. Olivet Natural Gas Company, Inc. ("Mt. Olivet"), notified the Commission that it will receive an increase in rates from its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective September 1, 1988, and submitted with its notice certain information in compliance with its purchased gas adjustment clause ("PGA") on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Mt. Olivet's notice of August 3, 1988 set out certain revisions in rates which Mt. Olivet proposed to place into effect, said rates being designed to pass on the wholesale increase in gas cost from its supplier in the amount of \$10,792 or 27.47 cents per

Mcf. In setting out its gas cost, Mt. Olivet used a fixed monthly demand surcharge of \$950 instead of the correct amount of \$31. In future filings, Mt. Olivet should use the correct surcharge of \$31.

(2) Transmission filed revised rates with the FERC to be effective September 1, 1988. These rates are subject to refund.

(3) Mt. Olivet's adjustments in rates under the PGA provisions approved by the Commission in its Order in Case No. 9918 dated August 10, 1987 are fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after September 1, 1988. Mt. Olivet's rates should be subject to refund because Transmission's rates are subject to refund.

IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after September 1, 1988, subject to refund.

(2) In future PGA filings Mt. Olivet shall use the fixed monthly demand surcharge of \$31 in setting out its gas cost.

(3) Within 30 days of the date of this Order Mt. Olivet shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 19th day of August, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Herman, Jr.
Chairman

Robert M. Davis
Vice Chairman

George H. Williams
Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 9918-P DATED 9/19/88

The following rates are prescribed for the customers served by Mt. Olivet Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Rates: Monthly

First	1,000 cu. ft. or less	\$6.30	(Minimum Bill)
Next	4,000 cu. ft. per 1,000 cu. ft.	4.5550	
Next	5,000 cu. ft. per 1,000 cu. ft.	4.3550	
Next	10,000 cu. ft. per 1,000 cu. ft.	4.2050	
Over	20,000 cu. ft. per 1,000 cu. ft.	4.0050	

The base rate for the future application of the purchased gas adjustment clause of Mt. Olivet Natural Gas Company, Inc., shall be:

Demand Commodity

Columbia Gas Transmission Corporation - \$3.1713 per Dth